QUARTERLY REPORT FOR THE 3 MONTHS ENDED 30 JUNE 2011

GROUP HIGHLIGHTS

- Long exceeds quarterly and annual production guidance.
- Gold Ore Reserves increased by 0.54Moz to 3.91Moz at Tropicana JV (AGA 70%, IGO 30%).
- Takeover of copper/zinc/silver producer Jabiru Metals Limited completed.
- $220.6 million cash and estimated net payables (Mar Quarter $247.0 million).

OPERATIONS HIGHLIGHTS

LONG OPERATIONS (NI)

- **Production:** Quarter - 64,665t @ 4.3% Ni for 2,773t Ni at A$4.12/lb Ni cash costs. (Budget 57,787t @ 4.3% Ni for 2,460t Ni).

  2010/11 FY - 9,753t Ni @ A$4.48/lb Ni cash costs. (Guidance 8,800t–9,200t Ni @ A$4.40-$4.60/lb Ni cash costs including royalties).
- **Development:** Moran paste plant nearing completion.
- **Exploration:** Further high grade intercepts including 8.0m @ 5.6%, 6m @ 11.8% and 4.2m @ 8.8% Ni (all true widths) have extended the Moran deposit 150m and remains open to the north.

JAGUAR OPERATIONS (CU, ZN, AG)

- **Production:** Quarter - 87,546t @ 1.7% Cu, 3.1% Zn, 42.6g/t Ag for 1,342t Cu, 1,946t Zn @ A$0.94/lb Zn cash costs. (Budget: 95,705t @ 3.0% Cu, 6.3% Zn, 100.0g/t Ag).

  2010/11 FY - 355,952t @ 2.8% Cu, 5.8% Zn, 80.0g/t Ag for 8,468t Cu, 14,642t Zn @ A$-0.31/lb Zn C1 cash costs. (JML Guidance 9 June 2011: 8,100-8,550t Cu, 13,500-14,250t Zn).
- **Development:** Bentley high grade zinc rich ore intersected ahead of schedule.
- **Exploration:** Ongoing air core drilling in the vicinity of high priority Lagonda Prospect confirms prospective 3km long base metal corridor which remains open to the north and south.

DEVELOPMENT PROJECTS

- **Tropicana JV:** Open pit ore reserves increased by 16% from 3.37Moz Au to 3.91Moz Au (+0.54Moz).

  Drilling between the proposed Tropicana and Havana open pits (Swizzler Prospect) intersected 15m @ 3.6g/t, 16m @ 3.8g/t and 6m @ 19.2g/t Au (true widths) indicates potential to merge the two pits.

  Construction of the 220km site access road commenced and is on schedule to be completed in the December 2011 Quarter.

  Open pit mining contract awarded to Macmahon Holdings.

  Detailed project engineering design on track for completion ahead of on-site process plant construction in the June 2012 Quarter.

FEASIBILITY PROJECTS

- **Stockman:** Resource infill and extensional drilling, detailed metallurgical test work and preparation of the Environmental Effects Statement and Definitive Feasibility Study continued.

  Drilling 75m from the Currawong resource envelope returned 10.2m @ 2.4% Cu, 3.7% Zn, 0.7% Pb, 33g/t Ag and 0.9g/t Au.

EXPLORATION HIGHLIGHTS

- **Duketon** Drilling at the Rosie Prospect returned significant intercepts including 5.2m @ 3.2% Ni, 0.4% Cu and 41.6g/t 6PGE and 3.0m @ 2.8% Ni, 0.6% Cu and 2.1g/t 6PGE.
- **Karlawinda -** RC drilling down dip at Bibra returned significant new intercepts including 9m @ 4.4g/t Au, 18m @ 1.5g/t Au (including 7m @ 2.3g/t Au) and 10m @ 1.7g/t Au.

CORPORATE

TAKEOVER OFFER

The Company completed the off-market takeover of Jabiru Metals Limited during the quarter. The acquisition resulted in the issuance of 63.3 million IGO shares. The 90% threshold was reached in April and compulsory acquisition procedures enabled IGO to reach 100% ownership during the June quarter.

PROFIT AND LOSS

The purchase price acquisition accounting relating to the incorporation of Jabiruôs assets and liabilities is in progress. An estimation of the consolidated NPAT for the quarter has therefore not been provided.

ISSUED CAPITAL - CURRENT

202,907,135 ordinary shares. There are no options on issue.

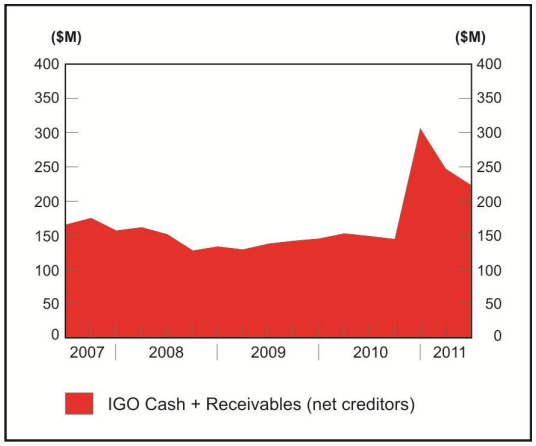
CASH AND RECEIVABLES

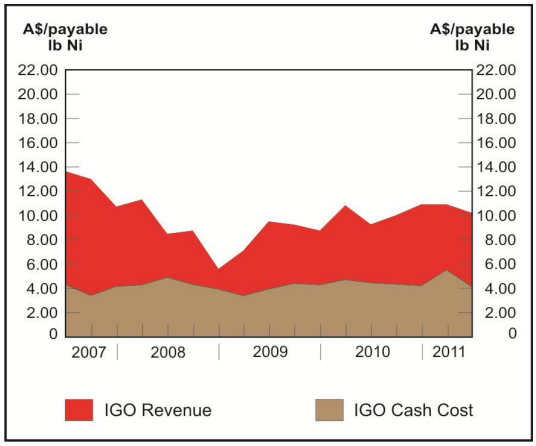
- $227.8 million cash including 30% share of Tropicana JV (Mar $241.7M).
- $7.2 million negative receivables net of creditors (Mar positive $5.3M).
- Total cash and estimated net receivables/payables were $220.6 million at the end of the quarter (Mar $247.0M).

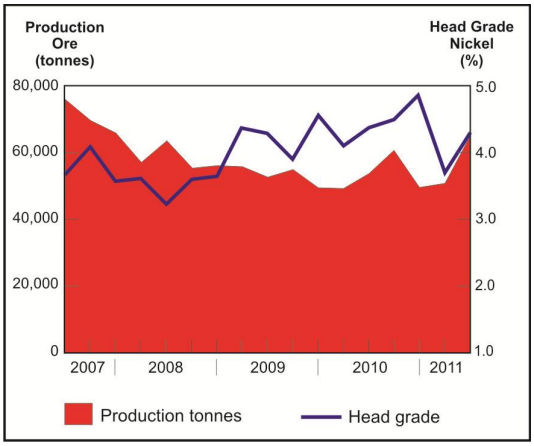
CASH OUTFLOWS

Excluding operating cash costs, major cash expenditure in the quarter was:-

- $10.6 million on Long, Jaguar and regional exploration.
- $8.5 million contributions to the Tropicana JV.
- $7.7 million on plant and equipment.
- $17.6 million capitalised development costs (Long and Jaguar/Bentley).
- $1.9 million income tax payments.
- $10.3 million acquisition costs for Jabiru Metals Limited.







DEBT

The Company had debt at the end of the quarter of $28.5 million, comprising finance lease obligations of $11.5 million and a silver loan of $17.0 million.

NICKEL SALES PRICE CALCULATION

Sales for any given month are required to be estimated. One reason for this is as a consequence of the nickel off-take agreement the Company has with BHP Billiton Nickel West Pty Ltd which requires final settlement to be based on a future nickel price. In addition, in relation to copper and zinc sales, customers of the Company will often negotiate a sale based on a future price for that particular metal. The Company is also required to estimate the USD/AUD exchange rate when calculating sales for any given month, since payment for metal sold is received in US dollars. When calculating the quarterís profits, revenue and receivables are determined with reference to future metal prices which are estimated using price information available at quarter end. The net receivables figure above incorporates the estimated final USD metal payment converted to AUD, at the applicable exchange rate at quarter end.

2010/11 EXPLORATION EXPENDITURE

$14.7 million exploration expenditure was incurred during the quarter which includes accruals and Tropicana JV expenditure.

NICKEL HEDGING

Total hedged nickel metal at the date of this report is 4,560t at A$24,494/t, which is scheduled to be delivered at 180 tonnes per month from July 2011 to June 2012 and 200 tonnes per month from July 2012 to June 2013.

INVESTMENTS UPDATE

During the quarter, Musgrave Minerals Limited (IGO interest 7.5%) listed on the ASX (code MGV). Significant near-surface copper mineralisation intersected at Moorilyanna (*see MGV ASX announcements*).

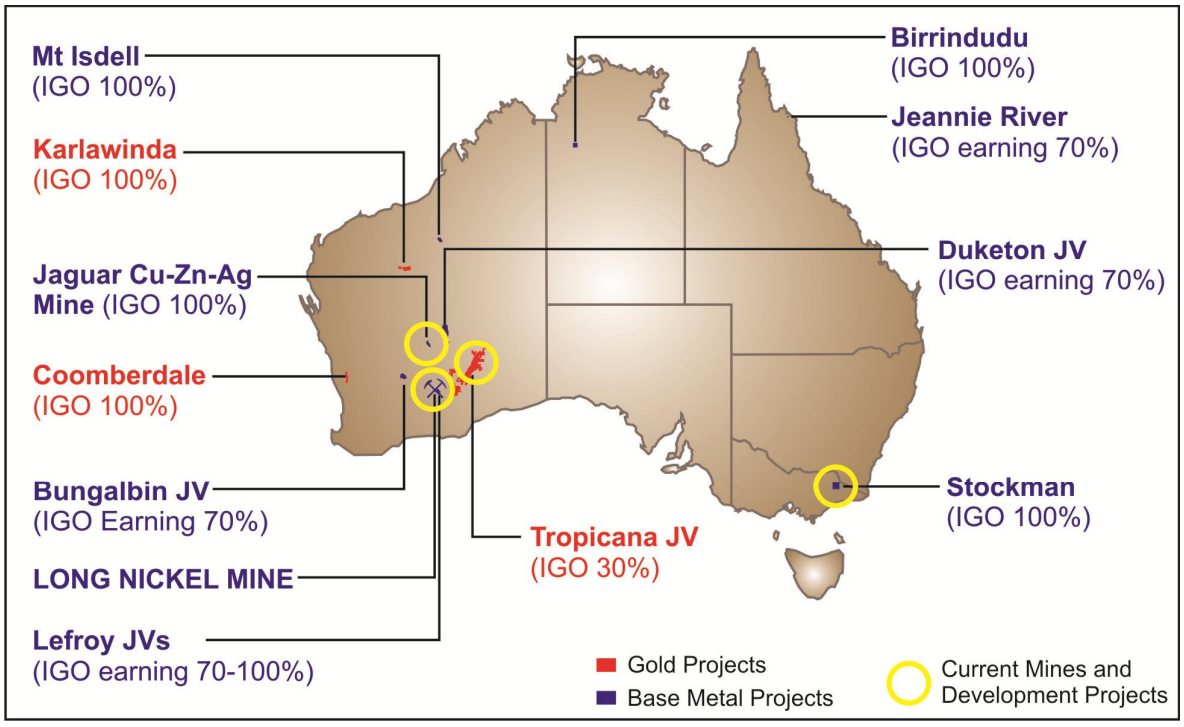


Figure 1: IGO Major Project Locations

MINING OPERATIONS

LONG NICKEL MINE
IGO 100%

SAFETY

Lightning Nickel incurred one Lost Time Injury (LTI) during the quarter, bringing the Frequency Rate (LTIFR) to **6.34** for the life of the operation. The LTI was a result of a muscle tear that required minor surgery and the employee has since returned to work.

PRODUCTION

Production for the quarter was 64,665t at 4.29% Ni for 2,773 tonnes of contained nickel, which was mined by the following methods:

Jumbo Stoping	12,436	t @	3.58	Ni for	445	Ni t
Long-hole	18,842	t @	3.98	Ni for	749	Ni t
Hand-held	3,871	t @	4.02	Ni for	156	Ni t
Jumbo Development	29,516	t @	4.82	Ni for	1,423	Ni t
TOTAL	64,665	t @	4.29	Ni for	2,773	Ni t

Production was from the following areas:

Long	9,989	t @	3.28	Ni for	328	Ni t
McLeay	21,886	t @	3.57	Ni for	782	Ni t
Victor South	6,168	t @	4.56	Ni for	281	Ni t
Moran	26,622	t @	5.19	Ni for	1,382	Ni t
TOTAL	64,665	t @	4.29	Ni for	2,773	Ni t

(See Figure 2 for location of ore bodies)

Contained nickel metal exceeded budget (2,460 Ni t) by 313 Ni T or 13%. The additional metal was produced via a combination of additional ore being mined and a slight improvement in grade (4.29% Vs 4.26%). The operation exceeded guidance of 8,800-9,200t Ni producing 9,753 tonnes of contained metal.

Metal during the quarter was produced at a cash cost of A$4.12 per payable pound of nickel, with a full year average of A$4.48/lb versus a budgeted $4.54/lb.

Operational highlights for the quarter included:

- Implementation of revised Safety Management Plan.
- Establishment of infrastructure to support Moran production.
- Long and Victor South mining areas out-performing on tonnes and Moran delivering above budget (+0.69% Ni) grade.
- Progress on Moran paste plant.
- Continuing exploration success in Moran North.
- Development commencing on Long North exploration platforms.

DEVELOPMENT

CAPITAL DEVELOPMENT

During the quarter a total of 389 metres were advanced as capital development, 224m in Moran and 165m between the Long 13/7 and 16/5 exploration drill drives.

OPERATING DEVELOPMENT

A total of 710 metres of operating development was also undertaken during the quarter, of which 313m occurred in McLeay, 38m in Victor South with the remaining 359m in Moran. Operating development costs are included in cash costs.

FOCUS FOR SEPTEMBER QUARTER

The September quarter will see the operation focus on:

- Utilising data from the site wide risk review to update operational procedures.
- Implementation of the Strategic Safety Management Plan for 2011/12.
- Moran Paste Plant commissioning and operation.
- Decommissioning of the Long shaft and winder.

- Establishment of primary ventilation through Moran to support increased production.
- Commencement of stoping in Moran, both long-hole and drift and fill methods.
- Development to extend the Long North exploration platforms.

EXPLORATION

DRILL DRIVE DEVELOPMENT

Long North drill drives in the 13/7 and 16/5 mining levels, designed to provide a platform for drilling of Long North and Long Deeps targets to the north and down-dip of the current Long North 2010 Resource Boundary, continued during the Quarter.

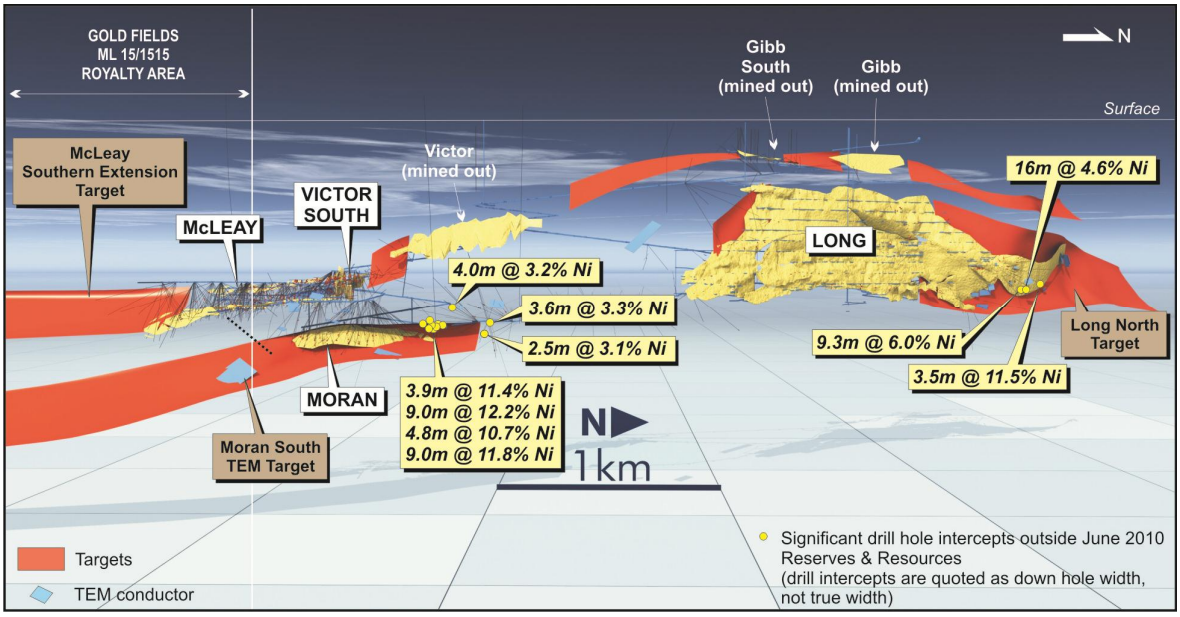


Figure 2: Long Nickel Mine – Longitudinal Projection Showing Target Areas, TEM Conductors and Significant Intercepts Outside June 2010 Ore Reserves

MORAN SOUTH TARGET

Previous efforts to drill test the Moran South TEM anomaly (***Figures 2 and 3***) have been hampered by a major shear zone which has proved difficult to drill through. A new drill technique has been employed. Although very slow it has successfully drilled through the shear zone and has reached a depth of 210m (target ~ 300m). Drilling and reaming is continuing.

MORAN NORTH EXTENSION DRILLING

Thirteen underground diamond drill-holes for 1,599m were completed in the quarter. Significant intercepts are reported in **Table 1**.

The zone of mineralisation, situated outside current reserves and resources, occurs over a 150m strike length, with a width of 40m and is located 40m north of the Moran 665 North Ore Drive and 25m east of the Moran decline development. Nickel mineralisation remains open to the north and further step out drilling is planned for the September quarter.

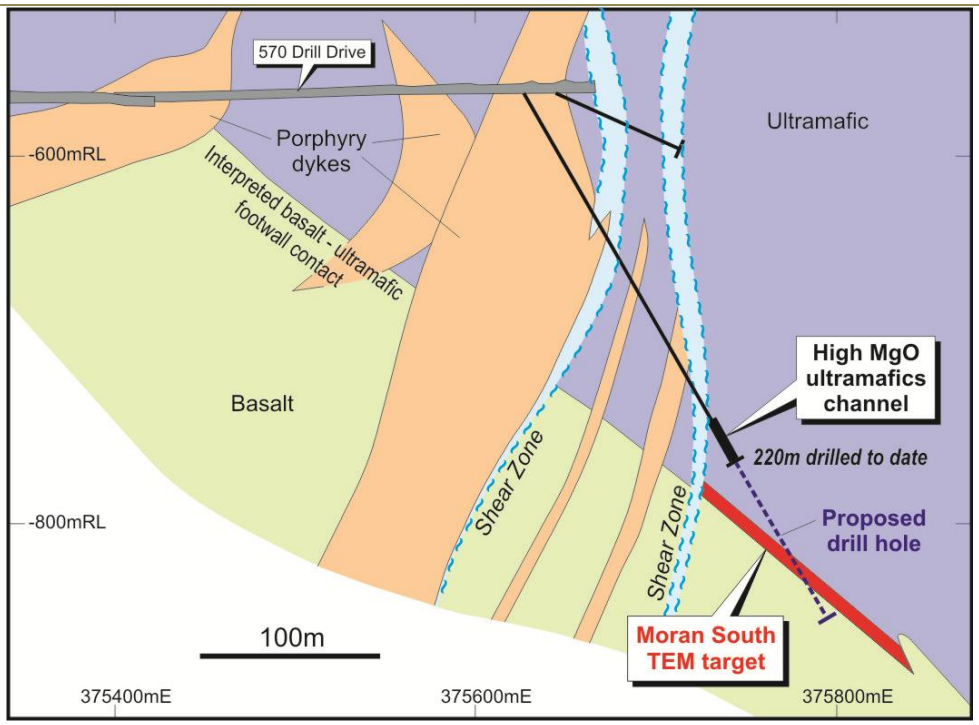


Figure 3: Long Nickel Mine – Schematic Cross-Section Showing Progress of Current Diamond Drill-Hole Testing of the Moran South TEM Target

Table 1: Long Nickel Mine – Moran North Significant June Quarter Extension Holes

Hole ID	Northing	Easting	RL	EOH	Dip	Azimuth	m From	m To	Interval	True Width	Assay Grade %Ni
LSU-352	547939	375206	-640	146.9	-19.4	129.9					porphyry
LSU-353	547939	375206	-640	149.9	-19.6	123.7	105.85	108	**2.05**	**2**	**8.28**
LSU-355	547939	375206	-639	115.7	12	145	85	86	1	1	porphyry
LSU-356	547939	375206	-639	117	-3.6	134.8	66	74	**8**	**8**	**5.58**
LSU-357	547939	375206	-639	126	-12.9	132.3	86.47	90.3	3.83	3.8	4.25
LSU-358	547939	375206	-639	89.6	18	137					porphyry
LSU-359	547939	375206	-639	80.1	8	132	51.96	61	**9.04**	**3.5**	**11.93**
LSU-360	547939	375206	-639	119.9	-19.3	123.7	77.65	84.5	**6.8**	**6**	**11.79**
							92.1	105	**12.55**	**4.2**	**8.82**
LSU-361	547939	375206	-639	50.7	33	111	32.4	33.5	1.08	1	1.85
LSU-362	547939	375206	-639	104.9	-21.6	111.1	85	86	1	1	
LSU-363	547939	375206	-639	65.9	12	80	30.25	32.3	2	2	6.07
							39.4	39.6	0.24	0.2	2.04
LSU-364	547939	375206	-639	80.8	-16.4	81.1					porphyry
LSU-365	547939	375206	-639	65.7	11	53	32.38	34.7	**2.29**	**2**	**11.76**
LSU-366	547939	375206	-639	122.4	-3	141	89.04	97	7.91	3.8	3.67
LSU-369	547939	375206	-639	50	11	36	36	37	1		barren

High Powered TEM Transmitter Mark III

Site testing of the new IGO High Powered Geophysics Transmitter (HPT-Mark III) is in progress.

JAGUAR COPPER / ZINC MINE
IGO 100%

SAFETY

IGO is pleased to announce that during the quarter no Lost Time Injuries (LTI) occurred at the Jaguar Operations, bringing the site Frequency Rate (LTIFR) to **1.78** for the life of the operation.

MINE PRODUCTION

June 2010/11 production was in line with revised guidance released by Jabiru on 9 June 2011. However, quarterly production was lower than originally forecast due to geotechnical issues, which required a change in ground support methodology. Production from high grade stopes was suspended to enable additional ground support to be installed. As a consequence mill feed comprised ore from lower grade stopes and low grade surface stockpiles, resulting in lower head grades and metal production. No Reserves have been lost and mining of high grade Cu stopes has commenced. It is expected that the Jaguar mine will return to normalised production in the September Quarter. Production for the quarter was 59,056t at 2.1% Cu, 3.0% Zn and 46g/t Ag, which was mined by the following methods:

Tonnes Mined			
Stoping	12,048t	@	2.7% Cu, 2.5% Zn, 47g/t Ag
Development	47,008t	@	1.9% Cu, 3.1% Zn, 45g/t Ag
TOTAL	59,056t	@	2.1% Cu, 3.0% Zn, 46g/t Ag

MILL PRODUCTION

The budget throughput for the mill was 95,705t. Production for the quarter was 87,546t at 1.7% Cu, 3.1% Zn and 43g/t Ag, which was sourced primarily from the mine and stockpiles. Mill throughput was 9.1% below budgeted expectations.

Tonnes Processed (dmt)	**Actual**	**Budget**
	87,546 t	95,705 t
Cu(%)	1.72 %	2.97 %
Zn(%)	3.08 %	6.34 %
Ag(g/t)	42.6 g/t	100.0 g/t
Recovery (%)		
Copper	89.0 %	87 %
Zinc	72.2 %	78 %
Silver	52.0 %	56 %
Concentrate Produced		
Copper (dmt)	6,407 t	10,762 t
Cu (%)	20.9 %	23 %
Cu (t)	1,342 t	2,475 t
Zinc (dmt)	4,284 t	9,863 t
Zn (%)	45.4 %	48%
Zn (t)	1,946 t	4,734 t

Zinc metal during the quarter was produced at an average C1 cash cost of A$0.94 per payable pound, with a year to date average of A$-0.31/lb, after considering by-product credits.

Operational highlights for the quarter included:

- All safety indices are trending positively.
- The intersection of both the high grade zinc Arnage and Mulsunne ore surfaces on the 4200 level in Bentley.
- Encouraging resource drilling in both Main and Far Side ore bodies.
- Record copper recovery was achieved.
- Commencement of the HMS plant construction.

Concentrate Shipments

In relation to the JML ASX Announcement dated 9 May 2011, the Company is continuing discussions with the Geraldton Port Authority regarding concentrate monitoring and is confident of developing a workable loading methodology for future concentrate shipments.

Mine Development

Capital development

During the quarter a total of 1,331 metres were advanced as capital development, 706m at Bentley and 625m at Jaguar.

Operating development

During the quarter a total of 570 metres were advanced as ore drive development, 155m at Bentley and 415m at Jaguar.

Focus for September Quarter

The September quarter will see the operation focus on:

- Bringing the Jaguar High Grade stope back online (mid-July).
- Continue access development to the Far Side ore body high grade copper zones.
- Continue developing the ore-drives at Bentley for stope setup.
- Continue discussions with Geraldton Port Authority to change dust monitoring measurement procedures.

Exploration

The Jaguar Regional Exploration Project covers 50kms of strike prospective for VMS (volcanogenic massive sulphide) deposits (***Figure 4***). It encompasses three high grade copper-zinc-lead-silver-gold deposits: Teutonic Bore, Jaguar and Bentley, centred on the Jaguar Operations located 300km north of Kalgoorlie in Western Australia.

The Teutonic Bore deposit was discovered in 1974 by Carpentaria Exploration and 1.6Mt of ore grading 3.5% Cu, 11.2% Zn and 146g/t Ag was mined from 1980 to 1985.

Located 4km to the south, the Jaguar Deposit was discovered in 2002 through drilling of a 1.8km long conductor identified by a fixed loop transient electromagnetic (FLEM) survey.

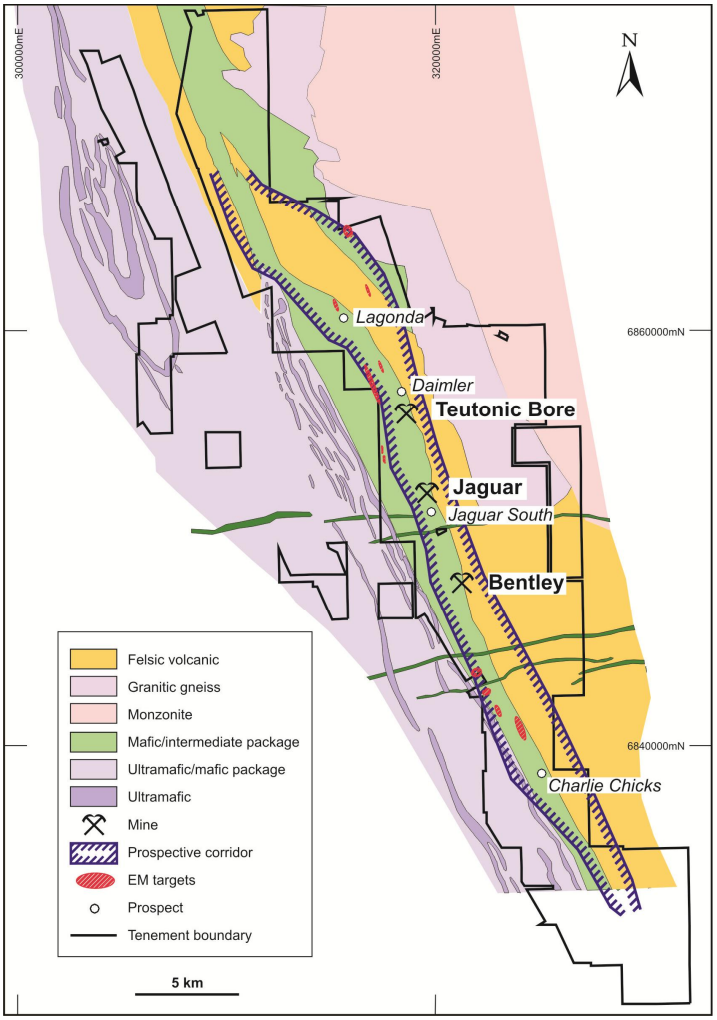


Figure 4: Jaguar Cu-Zn-Ag Mine – Tenure, Regional Geology, Mines and Significant Prospect Locations

The Bentley deposit, located a further 4km to the south of Jaguar, was discovered in 2008 during a systematic drilling campaign designed to test below a near-surface geochemical anomaly at what was known historically as the Snowyôs Well Prospect.

The deposits occur at or near the base of a mafic volcanic succession overlying a felsic volcanic package. The deposits typically comprise massive sulphide lenses with semi-massive and stringer style mineralisation both below and lateral to the massive ore.

The deposits dip steeply to the west with strike and dip extents of ~400 metres. The Jaguar and Bentley deposits, located 250 to 300m below surface, display strong plunge trends along which there is potential for additional deposits to be discovered. The Far Side ore lens, discovered in 2010, lies 300m to the east of Jaguar (***Figure 5***). The Jaguar and Far Side lenses are interpreted to represent a ñstacked lensòsystem which demonstrates additional potential for discovery at various levels within the host stratigraphy. Hence the true prospective strike within the project area may be well in excess of 50km.

VMS deposits tend to occur in clusters and the potential for additional ore lenses near the existing mines is high, as evidenced by the discovery of Far Side copper zone in 2010. Drilling outside the resource envelope of the known deposits has been limited to date.

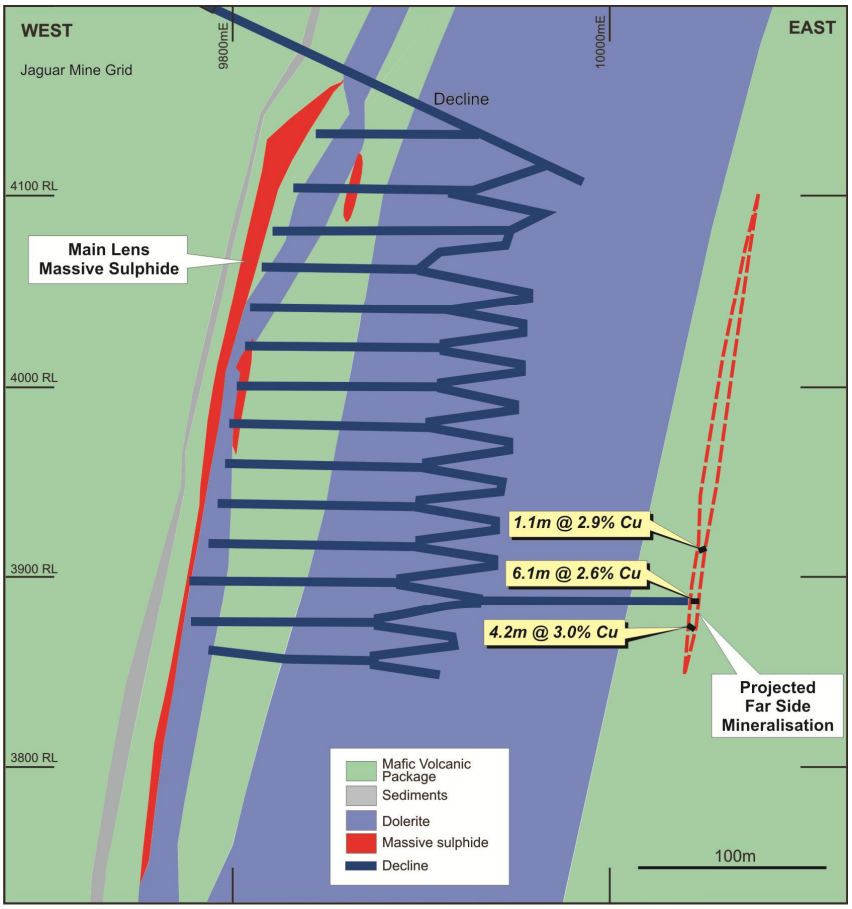


Figure 5: Jaguar Cu-ZN-Ag Mine – Cross-Section Showing Location of Far Side Copper Rich Lens in Relation to Main Jaguar Cu-Zn-Ag Massive Sulphides

Regional exploration is focused on identifying and testing targets within the host rock sequence through the use of ground-based geophysics, regolith geochemistry and detailed geological mapping.

During the quarter an aircore drilling programme commenced with the aim of delineating base metal targets in the vicinity of the Lagonda prospect, where historic diamond drilling intercepted Cu-Zn-Ag mineralisation.

11,055m of aircore drilling has been completed and results received thus far confirm an anomalous base metal response centred on Lagonda that extends over ~3 kilometres of strike and which remains open to the north and south.

The exploration program for the next quarter will be to continue aircore drilling and ground-based geophysical programmes, with a particular focus on the corridor north of Teutonic Bore toward the Lagonda prospect, where historical exploration was limited by technology and complex tenement holdings. Diamond drilling of recently defined targets in the Lagonda prospect area will commence in addition to testing of near mine targets at Bentley and Jaguar.

LONG NICKEL MINE PRODUCTION SUMMARY

	Note	Jun '11 Quarter	2010/11 FY to Date	*Prev. Corresp. Quarter (Jun '10)*
Mining Reserve (Dry Tonnes)				
Start of Period		1,154,823	1,315,000	*1,177,941*
- ROM Production	1	(64,665)	(224,842)	*(53,737)*
End of Period		1,090,158	1,090,158	*1,124,204*
Production Details:				
Ore Mined (Dry Tonnes)	1	64,665	224,842	*53,737*
Ore Milled (Dry Tonnes)		64,665	224,842	*53,737*
Nickel Grade (Head %)		4.29	4.34	*4.37*
Copper Grade (Head %)		0.32	0.31	*0.30*
Metal in Ore Production (Tonnes)				
Nickel delivered	2	2,773	9,753	*2,346*
Copper delivered	2	204	692	*161*
Metal Payable IGO share (Tonnes)				
Nickel		1,676	5,892	*1,418*
Copper		83	280	*65*
Hedging				
Tonnes delivered into Hedge		600	2,400	*600*
Average Price (AU$/t)		19,013	19,013	*19,013*

Note 1. Production is sourced from both reserves/inventory and outside reserves.
Note 2. The Recovery Rate is fixed with BHP depending on head grade. For grades from 3.0% to 3.5% recovery is 92%, for grades in excess of 3.5% recovery is 93%.

		A$'000's	***A$'000's***	***A$'000's***
Revenue/Cost Summary				
Sales Revenue (incl. hedging)		34,328	134,464	*28,905*
Cash Mining/Development Costs		(9,579)	(35,674)	*(9,153)*
Other Cash Costs	3	(5,655)	(22,438)	*(4,643)*
Depreciation/Amortisation/Rehabilitation		(3,955)	(17,724)	*(3,578)*
Total Unit Cost Summary		***A$/lb Total Metal Produced***	***A$/lb Total Metal Produced***	***A$/lb Total Metal Produced***
Cash Mining/Development Costs		1.57	1.66	*1.77*
Other Cash Costs	3	0.93	1.04	*0.90*
Depreciation/Amortisation/Rehabilitation		0.65	0.82	*0.69*
Revenue/Cost Summary		***A$/lb Payable Metal***	***A$/lb Payable Metal***	***A$/lb Payable Metal***
Sales Revenue (incl. hedging)	4	9.29	10.35	*9.24*
Cash Mining/Development Costs		2.59	2.75	*2.93*
Other Cash Costs	3	1.53	1.73	*1.48*
Depreciation/Amortisation/Rehabilitation		1.07	1.36	*1.15*

Note 3. Other Cash Costs include milling, royalties and site administration.
Note 4. Sales Revenue per pound includes nickel price adjustments for prior periods.

Safety and Productivity				
- Lost Time Injuries		1	3	*2*
- Medically Treated IFR		41.1	32.1	*83.6*
- Nickel Productivity Rate	5	88.0	69.1	*67.6*

Note 5. Nickel Productivity Rate = Annualised nickel tonnes per full-time-equivalent-employee.

Production/Exploration Drilling	**Metres**	**Metres**	
Production	1,166	1,166	*75*
Exploration	2,333	10,089	*4,956*
	3,499	11,255	*5,031*

JAGUAR MINE PRODUCTION SUMMARY

	Note	June '11 Quarter	2010/11 FY to Date
Mining Reserve (Dry Tonnes)			
Start of Period		2,977,345	3,268,700
- ROM Production		59,056	350,411
End of Period		2,918,289	2,918,289
Production Details:			
Ore Mined (Dry Tonnes)		59,056	350,411
Ore Milled (Dry Tonnes)		87,546	355,952
Copper Grade (Head %)		1.72	2.82
Zinc Grade (Head %)		3.08	5.81
Silver Grade (g/t)		42.6	80.0
Metal in Concentrate Production (Tonnes)			
Copper delivered		1,342	8,468
Zinc		1,946	14,671
Metal Payable IGO share (Tonnes)			
Copper		1,278	8,161
Zinc		1,603	11,994
Revenue/Cost Summary		***A$'000's***	***A$'000's***
Sales Revenue (incl. hedging)		19,833	103,467
Cash Mining & Processing Costs		(11,306)	(44,799)
Other Cash Costs	1	(5,884)	(28,980)
Royalties		(703)	(4,607)
Total Unit Cost Summary		***A$/lb Total Metal Produced***	***A$/lb Total Metal Produced***
Mining & Processing Costs	2	2.64	1.39
Other Cash costs	1	1.37	0.90
Copper and Silver credits		(3.07)	(2.60)
C1 Costs	3	0.94	(0.31)
Royalties		0.16	0.14

Note 1. Other Cash costs include administration, trucking, freight & smelter
Note 2. A$/lb = Based on Zn lbs
Note3. C1 costs based on site cash costs, freight & smelter plus by-product credits

Safety and Productivity		
- Lost Time Injuries	0	1
- Medically Treated IFR	20.3	16.06

DEVELOPMENT AND FEASIBILITY PROJECTS

TROPICANA JV
(IGO 30%, ANGLOGOLD ASHANTI AUSTRALIA LIMITED MANAGER 70%)

OVERVIEW

The Tropicana Joint Venture comprises approximately 16,000km^2 of highly prospective tenure covering a strike length of 396km along an emerging new gold province (***Figure 1***).

The Tropicana project was generated and pegged by IGO and subsequently joint ventured to AngloGold Ashanti Australia Limited in January 2002. The first discovery within this extensive tenement package was the Tropicana deposit, comprising the Tropicana and Havana Zones, for which a Bankable Feasibility Study (ñBFSò) was completed in Q4 2010. On 11 November 2010 IGO announced to the ASX that the boards of both Independence Group NL and AngloGold Ashanti Limited had approved project development.

The approved project was expected to produce 3.45Moz (1.04Moz – IGO share) over a 10 year life at A$710-A$730/oz cash costs (real), including royalties. Mine life, cash costs and production rates have not been adjusted for reserve increases announced on the 26 July 2011.

Scoping studies have also been completed on the potential Boston Shaker open pit and Havana Deeps underground deposits.

PROJECT DEVELOPMENT

Tropicana road construction commenced during the quarter.

Contracts awarded for Project EPCM to Lycopodium Minerals Pty Ltd and Open Pit Mining to Macmahon Holdings were executed.

Lucas Earthmoving mobilised to site and commenced development of the 214km Access Road from Pinjin to Tropicana. The Minigwal South Borefield and associated 24km pipeline supporting road construction also commenced.

Recent Tropicana development activities include:

- Expansion of temporary site accommodation to support construction activities.
- Commencement of the Minigwal Trough Borefield development 45km to the north of Tropicana which will supply the mine with raw water.
- Tender evaluation and commercial negotiation of long lead plant equipment.
- Detailed engineering for construction.

Commencement of plant construction activities remains on schedule for June quarter 2012.

RESOURCE UPGRADE

Updated resource and reserve estimates were released to the ASX on 26 July 2011 **(Table 2).**

The Mineral Resource increased to 5.36Moz Au. Significantly, the quantity of gold resources in the Measured and Indicated categories had increased from 3.69Moz previously (2010) to 4.64Moz, a 25% increase on 2010 estimates. This outcome was largely due to Boston Shaker and Havana South improved resource confidence following recent infill drilling.

It is important to note that the mineral resource estimate uses the geostatistical method of Uniform Conditioning, which calculates a recoverable resource which includes ore loss and mining dilution at the scale of the minimum mining unit (SMU).

Table 2: Tropicana Project – 31 December 2010 versus 30 June 2011 Mineral Resource Estimate

		DECEMBER 2010			JUNE 2011		
MINERAL RESOURCE	CLASSIFICATION	TONNES (M)	GRADE (G/T AU)	OUNCES (M)	TONNES (M)	GRADE (G/T AU)	OUNCES (M)
Open Pit	Measured	25.8	2.18	1.80	28.4	2.15	1.97
	Indicated	28.8	2.04	1.89	43.9	1.89	2.67
	Inferred	16.6	1.81	0.96	1.0	3.06	0.10
Total Open Pit		**71.2**	**2.03**	**4.65**	**73.3**	**2.01**	**4.73**
Underground	Measured	0.00	0.00	0.00	0	0	0
	Indicated	0.00	0.00	0.00	0	0	0
	Inferred	5.3	3.65	0.63	5.3	3.65	0.63
Underground – Havana Deeps		**5.3**	**3.65**	**0.63**	**5.3**	**3.65**	**0.63**
Total Tropicana	**Measured**	**25.8**	**2.18**	**1.80**	28.4	2.15	1.97
	Indicated	**28.8**	**2.04**	**1.89**	43.9	1.89	2.67
	Inferred	**21.9**	**2.26**	**1.59**	6.3	3.56	0.72
Project Total		**76.5**	**2.15**	**5.28**	**78.6**	**2.12**	**5.36**

Notes to Mineral Resource statement (2011):

1. *The Tropicana, Havana and Boston Shaker Open Pit Mineral Resources have been estimated using the geostatistical technique of Uniform Conditioning.*
2. *Tropicana, Boston Shaker and Havana South Mineral Resources have been reported above a marginal (break-even) cut-off grade of 0.3g/t for Transported and Saprolitic material, 0.4g/t for SapRock (Transitional) material and 0.5g/t for Fresh material, within a US$1600 optimisation at an A$/US$ exchange rate of 1.143 (A$1400).*
3. *The Havana portion of the Open Pit Mineral Resource has been reported within the BFS Pit Design, with the Havana Deeps Underground Mineral Resource reported external to the Pit Design.*
4. *The Havana Deeps Underground Resource has been estimated using the geostatistical technique of Direct-Block Conditional Simulation. The Havana Deeps Underground Mineral Resource is reported externally to the Havana BFS Pit Design,at a cut-off grade of 2.8g/t.*

RESERVE UPGRADE

Based on updated resource modelling through increased drill density, the Tropicana Gold Project Ore Reserve estimate was updated and announced to the ASX on 26 July 2011 (**Table 3**).

The increased Ore Reserve is 3.9Moz, representing an additional 0.5Moz on the Tropicana Bankable Feasibility result announcement (2010). This improvement is largely due to inclusion of Boston Shaker Probable Reserve material (0.24Moz), with Havana South resource classification upgrade contributing a further 0.26Moz.

Resultant Project Mining Inventory (reserves and marginal ore plus inferred resources) increased from 59Mt to 64Mt @ 2.0 g/t for 4.1Moz, with less than 0.2% of contained gold classified as Inferred.

Recent Swizzler Lode drilling success between the Tropicana and Havana Main Pits suggests potential for the two pits to merge, which could contribute to increased metal inventory estimates and present cost reduction opportunities.

Table 3: Tropicana JV – 31 December 2010 versus 30 June 2011 Ore Reserve Estimate

	NOVEMBER 2010			JUNE 2011		
Classification	Tonnes (Millions)	g/t Au	Ounces (Millions)	Tonnes (Millions)	g/t Au	Ounces (Millions)
Proven	24.1	2.26	1.75	25.8	2.30	1.90
Probable	23.9	2.11	1.62	30.6	2.04	2.01
Total	**47.9**	**2.19**	**3.37**	**56.4**	**2.16**	**3.91**

The Proved and Probable Ore Reserve (30 June 2011) is reported above economic break-even gold cut-off grades of 0.4 g/t for Transported/Upper Saprolite material, 0.5 g/t for Lower Saprolite material, 0.6g/t for Sap-Rock (Transitional) material and 0.7g/t for Fresh material at nominated gold price US$1,100/oz, oil price US$86/barrel and exchange rate 0.91 AUD:USD (equivalent to A$1,210/oz).

TECHNICAL STUDIES

The Boston Shaker Open Pit Feasibility continued, with delivery expected in the September 2011 Quarter.

Havana Deeps Pre-feasibility drilling continued with three onsite multipurpose RC rigs predominantly focused on resource delineation and definition drilling.

TROPICANA-HAVANA PROXIMAL EXPLORATION

During the quarter 36 RC holes (3,534m) and 5 diamond holes (587m) were completed in and around the Tropicana-Havana Resource.

SWIZZLER PROSPECT

The majority of this work focused on the Swizzler area, a zone of structural complexity separating the Tropicana and Havana ore bodies. A number of significant intersections in this area have highlighted the potential for merging the Tropicana and Havana pits. Significant intercepts returned during the quarter included:

- 16m @ 3.8g/t Au from 127m in TFRC3560
- 15m @ 3.6g/t Au from 98m in TFRC3531
- 7m @ 4.7g/t Au from 52m in TFRC3530

Drill testing of earlier intercepts at Swizzler Deeps, located approximately 200m east of the results mentioned above, has also returned significant intercepts including **6m @ 19.2g/t Au from 255m (*Figure 8 and Table 6*)**. Further drilling is planned to test the continuity of mineralisation in the Swizzler Deeps zone in the September 2011 quarter.

HAVANA SOUTH

Further results from infill drilling at Havana South were returned during the quarter. Significant intercepts included:

- 24m @ 4.3g/t Au from 51m in TFRC3350
- 12m @ 3.9g/t Au from 58m in TFRC3393
- 14m @ 4.5g/t Au from 78m in TFRC3376

HAVANA DEEPS

A pre-feasibility study is being undertaken to evaluate open pit and underground mining operations of the Havana Deeps mineralisation. A total of 20,600m of RC and diamond drilling was completed in the quarter. Only limited assays have been received to date with a best result of **14m @ 6.5g/t Au from 421m** (***Figure 8***). All significant results from drilling in the Tropicana-Havana area are included in **Tables 4 and 5**.

REGIONAL EXPLORATION

Despite continuing wet conditions which affected access to some prospects, including Voodoo Child (previously reported intercepts of 17m @ 2.3 g/t Au and 22m @ 2.8 g/t Au) progress was made on regional exploration with 1 NQ hole (147m), 3 RC holes (306m) and 560 aircore holes (24,731m) being completed during the quarter.

Results were returned from Iceberg (32km SW of Tropicana), where AC drilling returned a number of encouraging intercepts including **20m @ 1.0g/t Au (including 8m @ 2.2g/t Au**) within a sericitic schist which appears to be controlled by NNE trending structures. These intercepts will be followed-up by RC and DDH drilling in H2 2011.

Other regional prospects returning encouraging aircore intercepts that will be followed up include Margarita (14km WSW of Tropicana) and Ninja (7km ESE of Tropicana).

Auger sampling across the Tomahawk Prospect (approximately 265km SW of Tropicana) has defined a 2km long, NE trending zone of anomalous surface geochemistry with a peak of 43.1ppb Au. A substantial aircore program has been completed across the prospect with assay results pending.

Table 4: Significant June Quarter Tropicana - Havana Infill Drilling Results

Collar						Intercept Details				
Hole No.	Northing (m)	Easting (m)	RL (MAHD)	Azi (Degr)	Dip (Degr)	Total Depth	Depth From	Depth To	Width (m)	Au (g/t)
Tropicana - Havana RC Infill										
TFRC3350	6761358	649387	360.7	321.1	-60.6	80	**48**	**72**	**24**	**4.3**
						includes	***51***	***71***	***20***	***5.0***
TFRC3356	6761343	649296	358.2	325.5	-60.0	105	*36*	*54*	*18*	*2.0*
TFRC3359	6761287	649317	358.0	324.7	-60.7	168	146	150	4	8.4
TFRC3369	6761270	649228	356.2	324.1	-59.9	130	45	55	10	3.2
TFRC3376	6761218	649245	355.3	327.4	-60.2	114	**78**	**92**	**14**	**4.5**
						includes	***78***	***89***	***11***	***5.6***
TFRC3388	6761182	649210	354.1	324.0	-60.5	126	**71**	**89**	**18**	**3.3**
TFRC3393	6761234	649123	353.0	326.8	-60.1	100	**58**	**70**	**12**	**3.9**
TFRC3402	6761217	649069	352.4	325.0	-61.4	115	**48**	**60**	**12**	**2.0**
TFRC3473	6763126	650589	344.4	320.9	-59.7	172	116	132	16	2.3
TFRC3476	6763215	650357	343.3	323.6	-60.1	80	35	50	15	2.2
TFRC3482	6763195	650340	343.9	323.9	-59.8	65	33	44	11	2.3
TFRC3483	6763162	650377	344.0	322.3	-60.0	100	62	82	20	2.2
TFRC3506	6763055	650306	346.2	317.3	-60.0	145	117	128	11	2.3
TFRC3510	6763020	650270	347.5	325.9	-62.1	155	131	141	10	2.0
TFRC3514	6763014	650171	348.0	326.9	-61.8	138	**106**	**120**	**14**	**3.5**
HDRC005	6762630	650024	349.9	324.1	-59.6	140	113	123	10	2.6
HDRC006	6762595	650060	350.8	321.2	-59.6	165	**137**	**142**	**5**	**13.0**
HDRC013	6762278	649741	356.2	322.2	-57.7	150	92	104	12	2.5
HDRC014	6762253	649765	357.2	322.8	-58.8	168	102	121	19	2.5
HDRC017	6762131	649640	359.9	145.9	-79.9	170	**109**	**134**	**25**	**2.5**
HDRC018	6762101	649634	361.2	318.9	-79.7	150	**91**	**114**	**23**	**3.0**

Table 5: Significant June Quarter - Havana Deeps Drilling Results

Collar						Intercept Details				
Hole No.	Northing (m)	Easting (m)	RL (MAHD)	Azi (Degr)	Dip (Degr)	Total Depth	Depth From	Depth To	Width (m)	Au (g/t)
Tropicana - Havana Deeps DDH Infill										
HDD061	6762280	649921	354.9	324.2	-60.2	246	176	206	30	2.4
HDD067	6762190	649934	357.8	318.8	-60.9	255	211	235	24	2.8
HDD069	6762082	650007	361.4	320.6	-75.9	334	281	305	24	2.8
						includes	***287***	***304***	***17***	***3.6***
HDD077	6761694	650183	361.7	321.5	-60.1	459	**416**	**437**	**21**	**4.6**
						includes	***421***	***435***	***14***	***6.5***
HDD079	6761694	650112	362.3	319.5	-59.3	441	383	407	24	2.1
HDD080	6761660	650147	362.4	321.6	-59.4	462	415	434	19	2.1

Table 6: Significant June Quarter - Swizzler and Swizzler Deeps Drilling Results

Collar						Intercept Details				
Hole No.	Northing (m)	Easting (m)	RL (MAHD)	Azi (Degr)	Dip (Degr)	Total Depth	Depth From	Depth To	Width (m)	Au (g/t)
Swizzler RC										
TFRC3529	6763019	649880	345.8	316.9	-60.6	90	**57**	**64**	**7**	**2.6**
TFRC3530	6763019	649846	345.1	321.8	-61.2	90	52	61	9	3.8
TFRC3531	6762950	649916	346.8	325.4	-61.2	126	**98**	**113**	**15**	**3.6**
TFRC3535	6762948	649880	346.2	318.2	-59.6	114	84	91	7	2.2
TFRC3559	6762931	649936	347.0	323.4	-60.4	144	114	125	11	2.1
TFRC3560	6762913	649954	347.0	324.5	-60.6	168	**127**	**143**	**16**	**3.8**
						includes	***127***	***141***	***14***	***4.2***
TFRC3562	6762950	649952	347.5	323.8	-59.0	174	139	144	5	5.2
Swizzler Deeps DDH										
TFD420	6762684	650289	350.8	321.2	-60.9	318.5	172	176	4	3.6
TFD421	6762649	650252	350.7	320.8	-60.4	303.4	255	261	**6**	**19.2**

RC = Reverse Circulation **DDH = Diamond**

(Down-hole widths approximate true widths except where Calculated True Widths are shown)

Proposed September Quarter Exploration Program

Proximal to Tropicana-Havana, it is intended to continue drill testing prospects north of Boston Shaker.

Regional exploration aircore drilling will continue at Tropicana West and in Tropicana Group 1 tenements, most likely for the remainder of the 2011 field season.

RC and diamond drilling will proceed from Voodoo Child to Iceberg, Margarita, the northern mining Leases and Dragonfly throughout the remainder of the year.

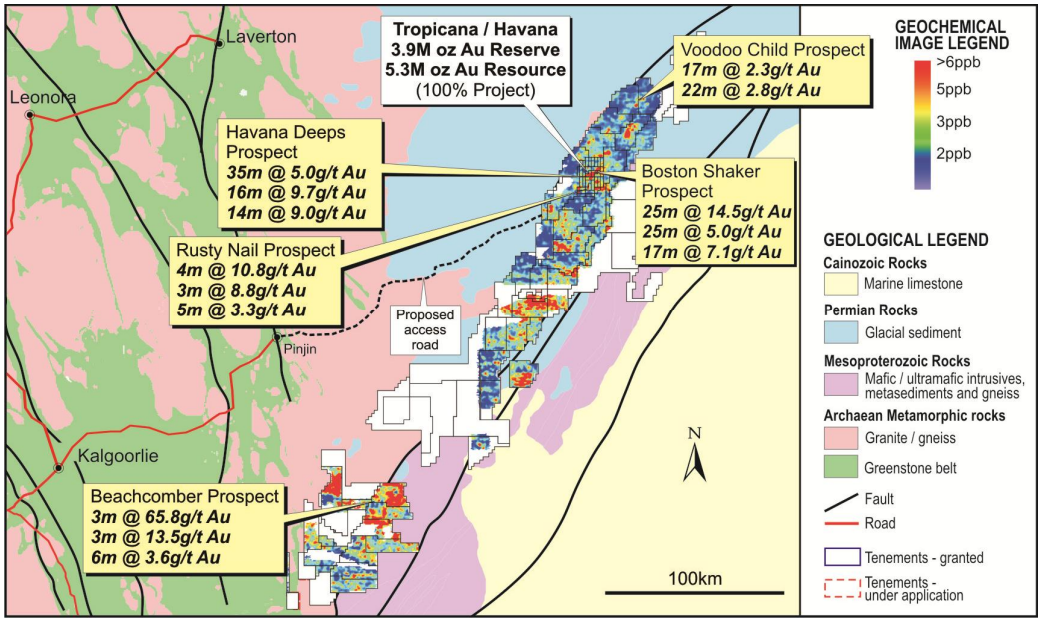


Figure 6: Tropicana JV – Tenure, Tropicana and Havana Reserve Locations, Gold Geochemical Anomalies, Significant Drill Intercepts and Selected Prospect Locations

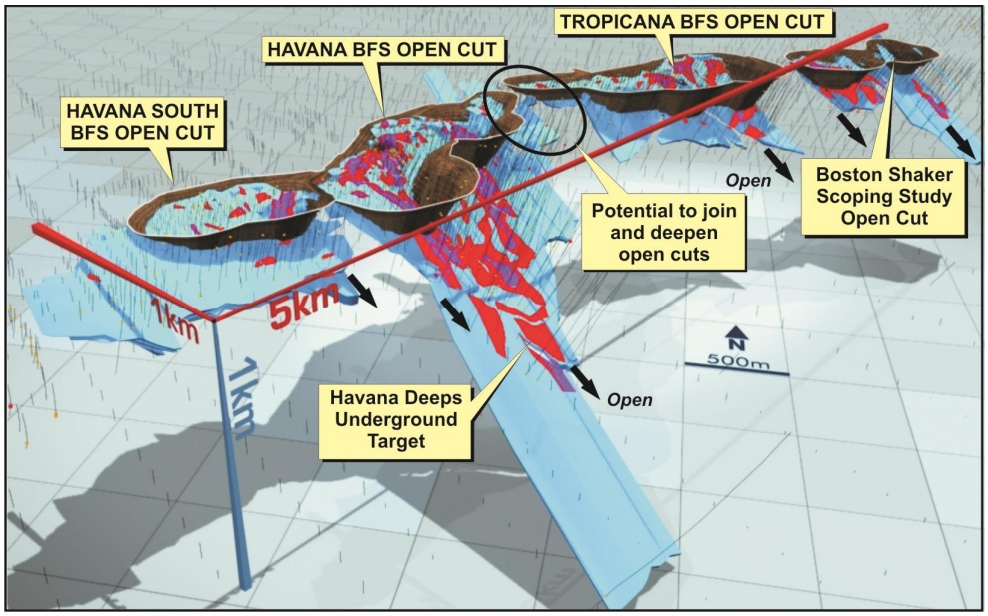


Figure 7: Tropicana JV – Proposed Boston Shaker, Tropicana, Havana and Havana South Open Pit Outlines, g/t Au x Thickness (m) Contours in 3D Isometric Model

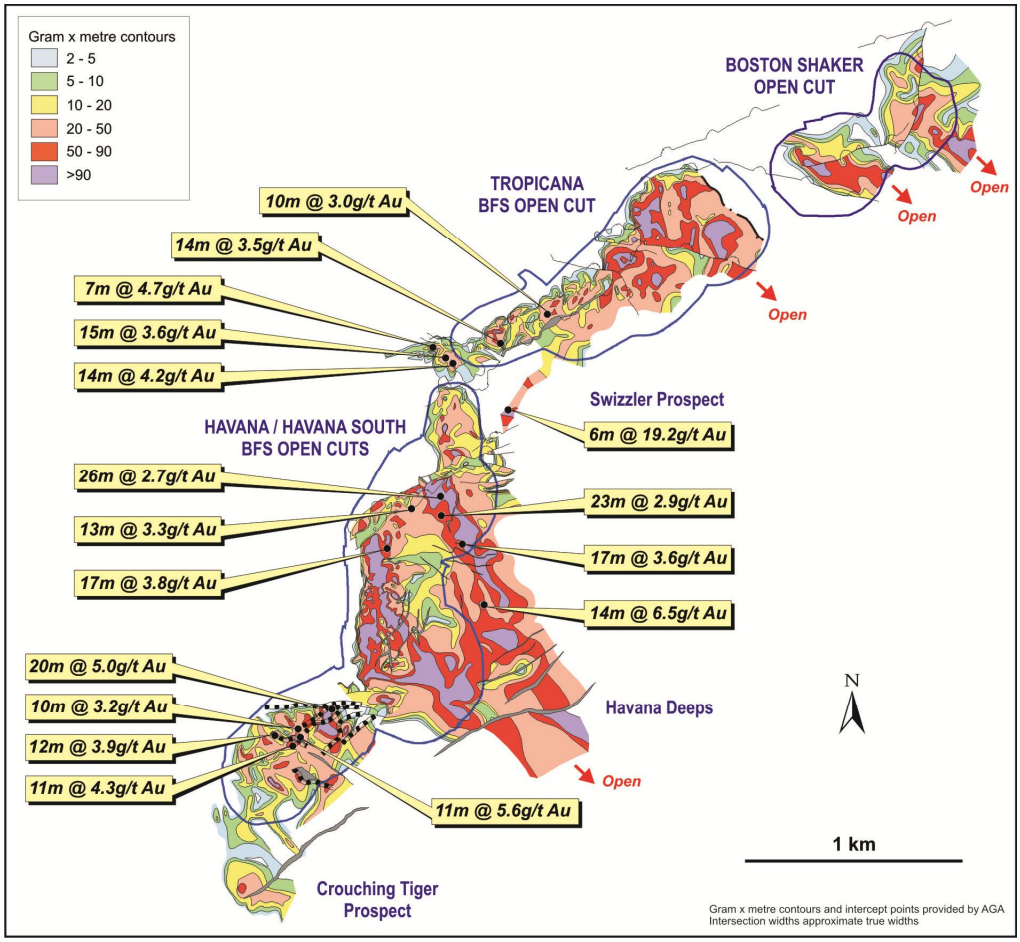


Figure 8: Tropicana JV – Proposed Boston Shaker, Tropicana, Havana and Havana South Open Pit Outlines, g/t Au x Thickness (m) Contours and Significant June 2011 Quarter Drill Intercepts

STOCKMAN BASE METALS PROJECT (IGO 100%)

STOCKMAN PROJECT OVERVIEW

The Stockman Project is located in eastern Victoria, 300km north-east of Melbourne (***Figure 1***). The project encompasses two copper-zinc-lead-silver-gold VMS deposits, Wilga and Currawong, which were discovered by Western Mining in 1978/9. Copper-rich ore was mined at Wilga from 1992 to 1996. In 2006, following rehabilitation of the site by the Victorian Department of Primary Industries, the project was purchased by Jabiru Metals Ltd, subject to a minimum exploration expenditure commitment of $19.6m over a five year period, a condition that has now been met.

The Wilga and Currawong VMS deposits are hosted within the Gibsonøs Folly Formation, a part of the Cowombat Rift that comprises the southernmost of the Silurian basins within the Lachlan Fold Belt that are known to contain VMS deposits. The Gibsonøs Folly Formation comprises interbedded siltstone, volcaniclastic sediments plus extrusive and intrusive volcanics ranging in composition from rhyolite to basalt.

Both massive sulphides deposits are approximately 350m in strike and dip extent, dip shallowly to the north and are located only 100m below the surface. The Currawong deposit comprises five massive sulphide lenses and associated stringer style mineralisation stacked by a series of post-mineralisation faults. Located 3.5km to the south, Wilga comprises a single massive sulphide lens with an extensive halo of stringer-style mineralisation that contributes significantly to the resource. The sulphide mineralogy comprises pyrite, pyrrhotite, sphalerite, chalcopyrite, galena and minor silver-rich sulphosalts.

The massive sulphide lenses contain copper-rich domains that in part reflect primary hydrothermal fluid pathways controlled by primary structural trends. The structural complexity of the area is being interpreted and the potential for additional host stratigraphy under barren cover is being investigated both regionally and in the vicinity of the two deposits.

STOCKMAN FEASIBILITY STUDY

The preparation of the Environmental Effects Statement (EES) is well underway with the majority of the technical studies having now completed stage 1 (existing conditions) and commenced stage 2 (potential impacts).

The concluding Stage 3 of the technical studies (impact mitigation and management plans) will begin in the coming quarter as will preparation of the overall submission document, which is currently scheduled to be in draft form for government review by Q2 FY2011-12 and submitted in final form in Q3 FY2011-12. It is still expected that final approvals will be gained in the second-half of calendar year 2012. Community consultation is progressing well with a formal Community Reference group (CRG) meeting regularly to disseminate project information and feed-back various stakeholder points of view. In addition numerous visits to site have been undertaken with differing regulatory groups.

The Definitive Feasibility Study (DFS) has progressed in parallel with the EES during the quarter to fast-track the overall project development lead time. Detailed metallurgical test work is continuing. Generation of metallurgical Project Design Criteria (PDC) is nearing completion which will form the basis of detailed processing plant design and cost estimation.

Resource drilling has continued at Stockman gaining better definition of structural controls and grade/metals zonation, as well as some incremental extensions. An updated resource model is expected next quarter. It is anticipated that this update will be more of a refinement model than an increase in resources. A Maiden Reserve report is expected to be generated from these resources.

STOCKMAN EXPLORATION

Exploration is focused on a number of key positions proximal to both Currawong and Wilga, as well as on geochemical, geophysical and conceptual targets generated from historical datasets and a comprehensive and detailed VTEM survey covering the entire project area (***Figure 9***).

During the quarter exploration drilling commenced at Currawong Deeps and Bullant prospects. Significant mineralisation was intersected in one of the Currawong Deeps holes (11SMDD002) which returned **1.6m @ 0.5% Cu and 2.4% Zn.**

Diamond drilling during the period primarily focused on the Wilga and Currawong deposits with the aim of obtaining additional metallurgical material.

Several additional holes were completed with the aim of extending mineralisation immediately outside the existing Currawong resource envelope and this programme is ongoing. The best result received to date was from 11CWDD016 which returned **10.2m @ 2.4% Cu, 0.7% Pb, 3.7% Zn, 33g/t Ag & 0.9g/t Au from 269m (*Figure 10*).**

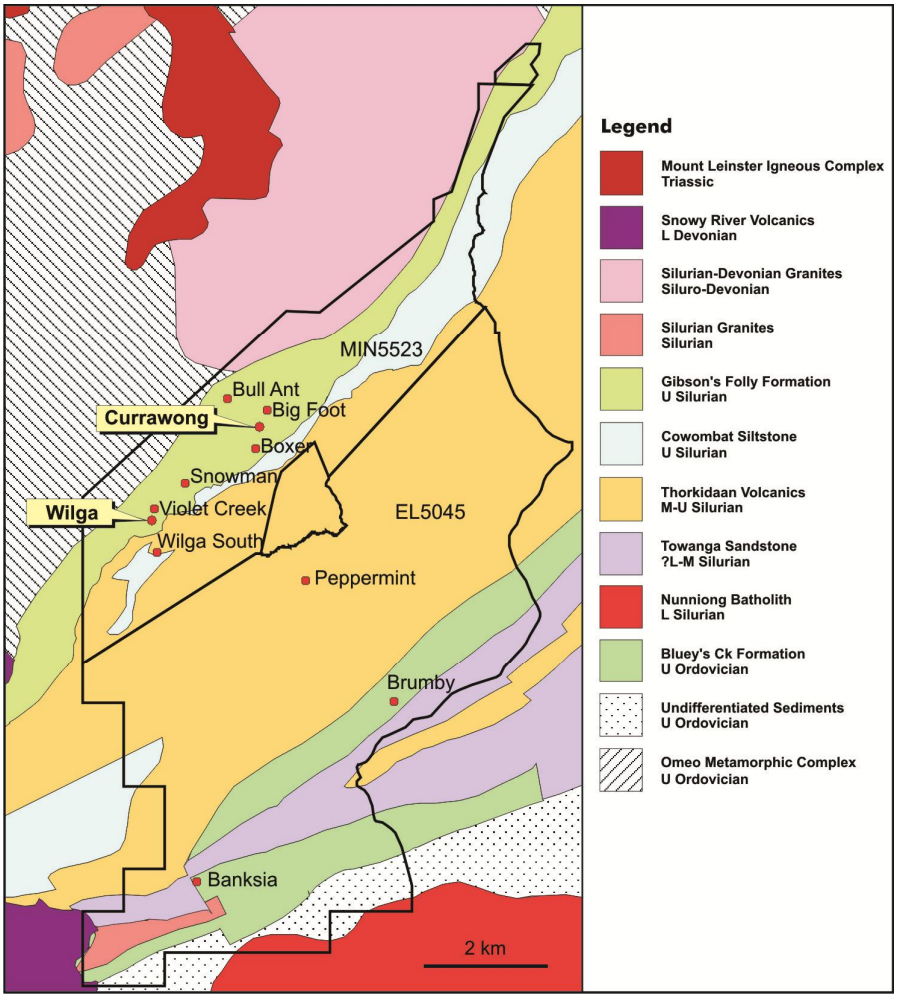


Figure 9: Stockman Project – Regional Geology, Tenure, Deposits and Prospects

The plan for the next quarter is to **continue drilling at the Currawong North Prospect (*Figure 10*)**, where a zone of vein-style mineralisation was identified in historic drilling containing significant base and precious metal results including:

- 1.4m @ 1.4% Cu, 10.2% Pb, 14.4% Zn, 126g/t Ag & 11.5g/t Au from 184m in BEND079
- 1.9m @ 1.2% Pb, 1.5% Zn, 17.5g/t Ag & 4.0g/t Au from 180m and 5.2m @ 0.3% Cu, 2.0% Pb, 4.6% Zn, 29g/t Ag & 4.2g/t Au from 234m BEND080
- 2.1m @ 1.1% Pb, 1.8% Zn, 28g/t Ag & 1.8g/t Au from 169m and 3.0m @ 0.3% Cu, 2.1% Pb, 2.1% Zn, 26g/t Ag & 2.3g/t Au from 184m in BEND091

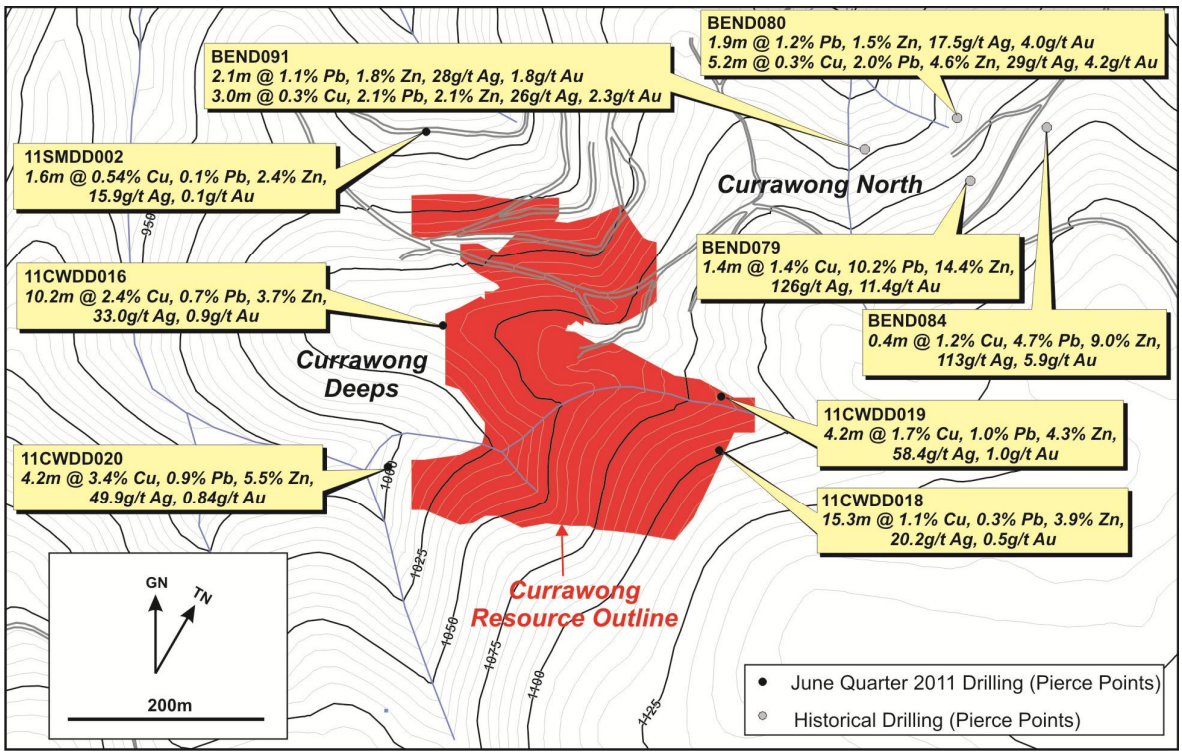


Figure 10: Stockman Project – Currawong Deposit Plan Showing Resource Outline and Significant Currawong and Currawong North Prospect Intercepts

Drilling will also commence at the Wilga South prospect where historic diamond drilling identified copper-rich stringer mineralisation only 400m from the Wilga deposit. Historic drill results include:

- 17.8m @ 1.0% Cu from 199m (incl. 2.3m @ 3% Cu) and 1.7m @ 2.5% Cu from 225m in BEND089
- 25.7m @ 0.3% Cu from 94m (incl. 3.6m @ 1.23% Cu) and 36.2m @ 0.41% Cu from 158m (incl. 2.5m @ 1.0% Cu) in BEND078

REGIONAL GOLD EXPLORATION

KARLAWINDA (IGO 100%)

The Karlawinda Project is located on the southern margin of the Archaean Sylvania Inlier, some 65km south-east of Newman, close to the Great Northern Highway and gas pipeline infrastructure *(**Figure 1**)*.

The project area covers a previously unrecognised greenstone belt on the southern margin of the Sylvania Inlier. The discovery prospect, Frankopan, comprises a very large gold mineralised system extending over a strike length of 1.1km and 0.5km down dip beneath approximately 190m of Bangemall Basin

cover sediments. Previously announced intercepts include 7m @ 4.6g/t Au, 6m @ 4.5g/t Au and 15m @ 3.0g/t Au. Based on the extent and style of mineralisation this project is considered to have good potential for the delineation of a significant Archaean mesothermal lode gold system.

The current focus of exploration is on the Bibra Prospect, located approximately 5km NE of Frankopan, and other regional targets north of Frankopan, where Archaean bedrock is not obscured by thick Bangemall cover.

BIBRA PROSPECT

At the Bibra prospect, IGO has defined a large gold mineralised zone extending over 1km both along strike and down-dip *(**Figure 11**)*. Mineralisation strikes NNE and is developed in a series of shallowly WNW plunging rod-like shoots within a more continuous lower grade halo.

In addition to primary gold, supergene gold is well developed above the up-dip oxidised portion of the main mineralised zone.

Resource modelling based on 100m x 50m spaced drilling was completed on the supergene, oxide and upper transitional material last quarter.

The Inferred Resource at a 0.5g/t cut-off is summarised in the following table:

MINERALISATION TYPE	TONNES (Mt)	*Au* GRADE (g/t)	CONTAINED Au (OZ)
Laterite	1.9	1.2	73,300
Upper Saprolite	0.8	1.1	28,300
Lower Saprolite	1.6	1.1	56,600
Sub-total Oxide Inferred	**4.3**	**1.1**	**158,200**
Transition Inferred	**1.6**	**1.2**	**61,700**
Grand Total Oxide/Trans Inferred	**5.9**	**1.1**	**219,900**

***Note:** Bibra Inferred Resource is based on the following key resource parameters:- minimum 100m x 50m spaced RC drill holes, 1m cone split RC percussion chips samples, samples analysed for gold by 50g fire assay, top-cut grades were applied (Supergene mineralisation used 8g/t top-cut, and primary mineralisation varied with each lode 6g/t, 6.5g/t, and 9g/t). Resource was estimated using Ordinary Kriging method.*

Broader spaced drilling on down-dip transitional and fresh material suggests an exploration target significantly larger than the current Inferred Resource but at a similar grade may be outlined.

Final results from column leach metallurgical test work based on a 60 day irrigation were received during the quarter. Test results confirmed that the material is amenable to heap leach gold extraction with upper saprolite material returning a 74.3% recovery and lower saprolite returning 74.7% recovery. Metal dissolution was incomplete at 60 days, consistent with typical operations where heap leach reticulation periods are in excess of 100 days. Leach profiles suggest that potential ultimate gold recovery could be in the range of 77-80%.

An RC drilling program comprising 16 holes for 3,442m was completed testing known higher grade shoots within Bibra and other nearby features with a similar magnetic signature. All holes were drilled vertically to minimise deviation as previous angled holes targeting these shoots have deviated significantly, such that in many cases the holes only intersected the margins of the targeted shoots.

In addition to selected down-dip holes on the known shoots, one close-spaced (15m) traverse of vertical holes was completed across the northern shoot to test gold distribution within the shoot.

The program confirmed that the magnetic signature directly represents a higher grade flattened core to the shoot (***Figure 11***). An earlier intercept in KBRC013 of 46m @ 0.7g/t Au, was offset 35m from the centre of the magnetic feature, and was followed-up by a hole in the current program (KBRC142) targeting the centre of the shoot, which returned **50m @ 1.1g/t, including 18m @ 1.5g/t Au.**

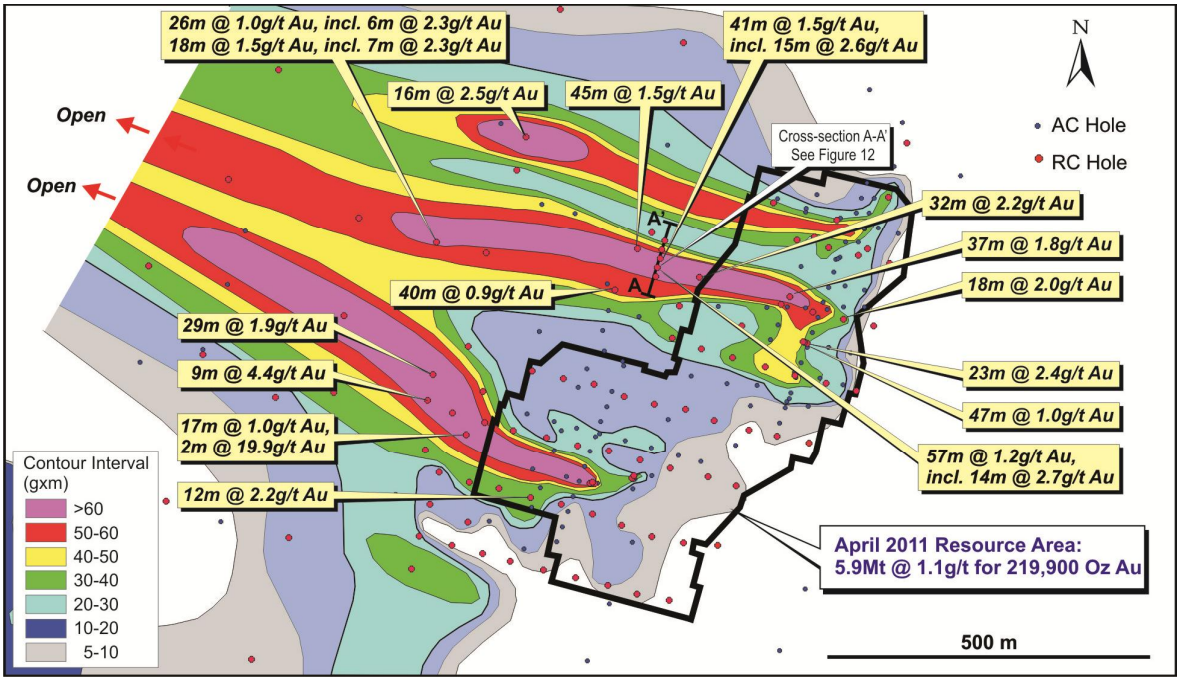


Figure 11: Karlawinda – Bibra Prospect Drill Defined Gold Anomalies, Significant Drill Intercepts and April 2011 Resource Outline Over g/t Au x Metre Contours

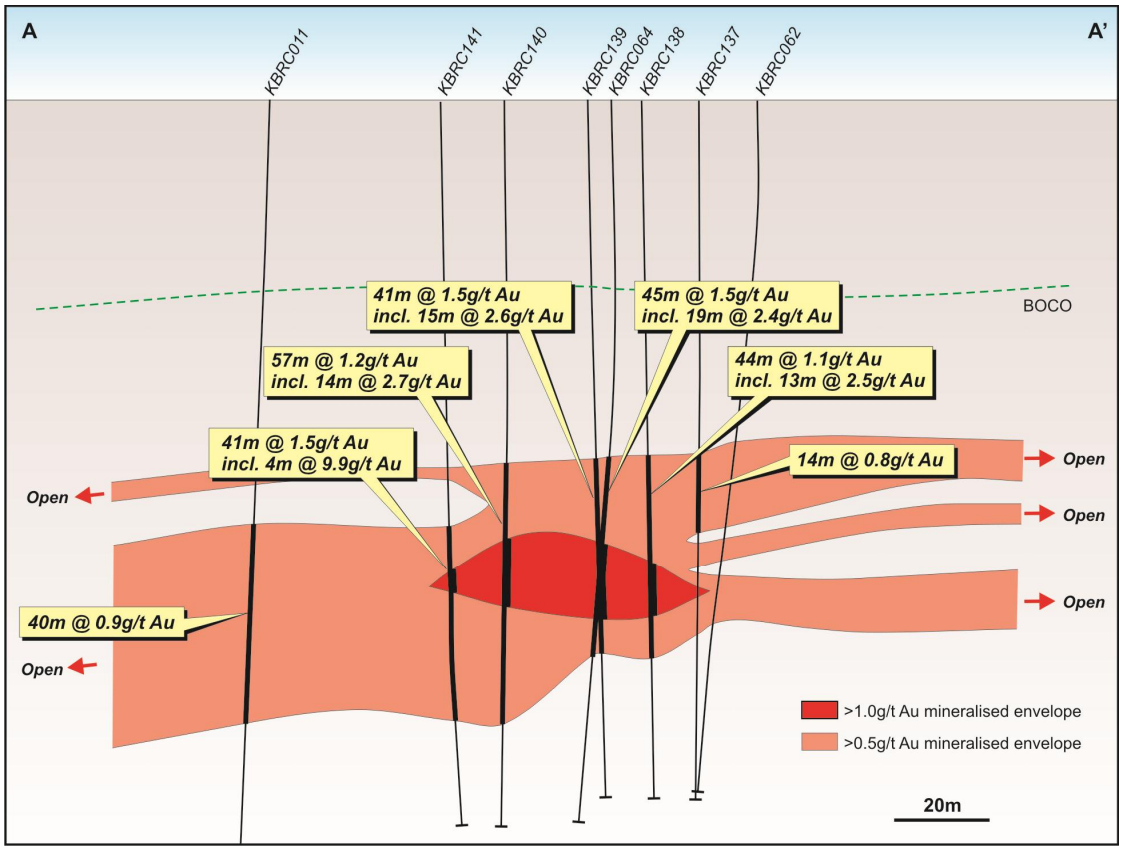


Figure 12: Karlawinda – Bibra Prospect Cross-Section of Central Gold Shoot

KBRC150 intersected a new zone to the west of Bibra returning 17m @ 1.0g/t Au from 67m and 10m @ 1.7g/t Au from 308m. These intercepts appear to be fault off-set and it is unclear at this stage how they relate to the stacked lodes within Bibra.

One hole (KBRC152) was drilled to test a magnetic feature 1.5km to the south of Bibra, under 100m of Bangemall cover. The drill hole intersected wide low grade mineralisation with discrete higher grade zones reminiscent of Frankopan, confirming mineralisation extends to the south under cover. The hole returned a combined intercept of 117m @ 0.4g/t Au including 2m @ 6.3g/t Au and 1m @ 3.2g/t Au and 1m @ 2.1g/t Au. These intercepts are unlikely to represent the best part of the system south of Bibra, but they clearly represent the trend of gold mineralisation to the south and a potential vector to follow mineralisation under the Bangemall Basin.

A full list of significant intercepts from RC drilling during the quarter is provided in **Table 7**.

Table 7: Significant June Quarter Bibra Prospect RC Drilling Results

Collar						Intercepts Details				
Hole No.	Northing (m)	Easting (m)	RL (MAHD)	Azi (Degr)	Dip (Degr)	Total Depth	Depth From	Depth To	Width (m)	Au (g/t)
KBRC138	7368904	204125	590	57	-87	148	74	118	44	1.1
						including	***97***	***110***	***13***	***2.5***
KBRC139	7368894	204119	590	49	-87	148	75	116	41	1.5
						including	***94***	***109***	***15***	***2.6***
KBRC140	7368877	204114	590	152	-88	154	76	133	57	1.2
						including	*92*	*106*	*14*	*2.7*
KBRC141	7368863	204113	590	115	-87	154	90	131	41	1.5
						including	***100***	***104***	***4***	***9.9***
KBRC142	7368920	203766	590	75	-88	268	195	245	50	1.1
						including	*211*	*217*	*6*	*2.3*
KBRC143	7368667	203750	590	118	-86	232	**94**	**103**	**9**	**4.4**
							114	136	22	0.7
KBRC145	7367908	203052	586	81	-85	280	209	231	22	1.0
						including	*220*	*230*	*10*	*1.8*
KBRC148	7367910	203188	590	129	-86	250	163	175	12	1.5
KBRC149	7368683	203840	590	108	-86	220	72	77	5	2.0
							83	111	28	1.0
						including	*90*	*99*	*9*	*2.1*
							179	183	4	1.3
KBRC150	7368882	203308	590	106	-86	340	67	84	17	1.0
KBRC152	7366997	203508	584	100	-82	304	122	239	117	0.4
						including	*237*	*239*	*2*	*6.3*

De Beers Database (IGO 100%)

In 2009 IGO acquired the non-diamond specific exploration database of De Beers Australia Exploration Limited (ñDBAEò). This database represents the culmination of more than 30 years of exploration and the key assets of the database are the 292,000 surface geochemical samples and associated analytical results covering many mineral prospective regions throughout Australia *(**Figure 1**)*. As DBAE was solely focused on diamond exploration, less than half of the samples were appraised for commodities other than diamonds.

A total of 32,382 samples have been submitted for geochemical analysis with all results having been received.

This work continues to generate a significant number of anomalies in gold, base metals and other commodities. Systematic prioritisation and field appraisal and ground acquisition of these anomalies is progressing.

REGIONAL BASE METALS EXPLORATION

DUKETON NICKEL JOINT VENTURE (IGO MANAGER EARNING 70% NICKEL RIGHTS)

The Duketon Nickel JV with South Boulder Mines Ltd covers ultramafic-rich stratigraphy in the Duketon Greenstone Belt approximately 80km north of the Windarra nickel deposit *(**Figure 1**)*. Exploration by IGO assisted by in-house proprietary geophysical techniques has confirmed the prospectivity of the belt for massive and disseminated nickel-copper-PGE sulphide mineralisation.

IGO is focusing on the Bulge ultramafic, a prominent thickened portion of ultramafic with a strike length of 8km situated along a more extensive ultramafic package located on the western flank of the project tenure.

Discoveries at the Bulge to date include*:*

- **Rosie Prospect:** a high grade massive, stringer and breccia sulphide system defined over a strike length of 950m (open) and down-dip extent of 600m (open), which includes intercepts up to **3.3m (true width) @ 9.1% Ni, 1.1% Cu, 0.2% Co and 7.1g/t PGEs** (2.2g/t Pt, 1.7g/t Pd, 0.8g/t Rh, 1.8g/t Ru) in TBDD098; and,
- **C2 Prospect:** comprising three zones of mostly disseminated (blebby in places) sulphides defined over a strike length of up to 700m and down-dip extent of up to 300m and includes intercepts up to **52m @ 0.9% Ni including 37m @ 1.0% Ni.**

Resource drilling recommenced at Rosie last quarter on a nominal spacing of 80m x 80m with selected 40m x 80m infill as part of a scoping study on the prospect.

A further 14 holes were completed during the quarter. Results are summarised in **Table 8** and shown in ***Figure 13***.

Table 8: Duketon JV – Rosie Prospect Significant June Quarter Diamond Drilling Results

Hole No	North (m)	East (m)	RL (m)	Az (deg)I	Dip (deg)	Total Depth (m)	Depth From (m)	Depth To (m)	Width (m)	Ni (%)	6PGE (g/t)*	Cu (%)	Cut Off (% Ni)
TBDD107W1	6943906	402273	539	42	-70	681	644.86	646.39	1.53	1.8	2.1	0.6	1.0
TBDD108	6943963	402266	539	42	-60	437	397.30	398.00	0.70	1.4	1.0	0.5	1.0
TBDD109	6943882	402348	539	46	-62	444	402.64	405.00	2.36	1.7	3.3	0.3	1.0
TBDD110	6943837	402384	539	48	-60	435	392.94	399.95	**7.01**	**1.1**	**1.2**	**0.2**	1.0
TBDD111	6943973	402513	539	45	-60	150	110.60	111.50	0.90	1.5	4.9	0.2	1.0
TBDD112	6943916	402603	539	1	-61	168	135.07	140.31	**5.24**	**3.6**	**49.5**	**0.4**	1.0
TBDD113	6943915	402656	539	358	-60	157	110.56	118.23	**7.67**	**0.9**	**1.3**	**0.2**	1.0
TBDD114W1	6943980	402158	539	48	-62	607	567.74	570.70	**2.96**	**3.5**	**2.6**	**0.5**	1.0
TBDD115	6943909	402216	540	48	-59	565	521.53	527.82	**6.29**	**1.8**	**2.2**	**0.3**	1.0
TBDD116	6943930	402272	540	46	-60	465	429.95	432.52	2.57	1.9	3.2	0.6	1.0
TBDD119	6943936	402441	540	44	-59	271	229.40	237.31	**7.91**	**1.9**	**2.7**	**0.3**	1.0
TBDD120	6943898	402578	540	4	-60	204	164.80	173.70	**8.90**	**1.7**	**2.0**	**0.4**	1.0
TBDD122	6943898	402624	540	3	-60	200	144.57	145.00	0.43	1.9	1.6	0.2	1.0
TBDD123	6943927	402624	540	2	-60	147	108.56	108.96	0.40	1.6	0.3	0.2	1.0
TBDD124	6943988	402210	540	48	-58	456	420.71	423.46	2.75	1.3	1.3	0.2	1.0

***6PGE = Pt+Pd+Rh+Ru+Os+Ir**

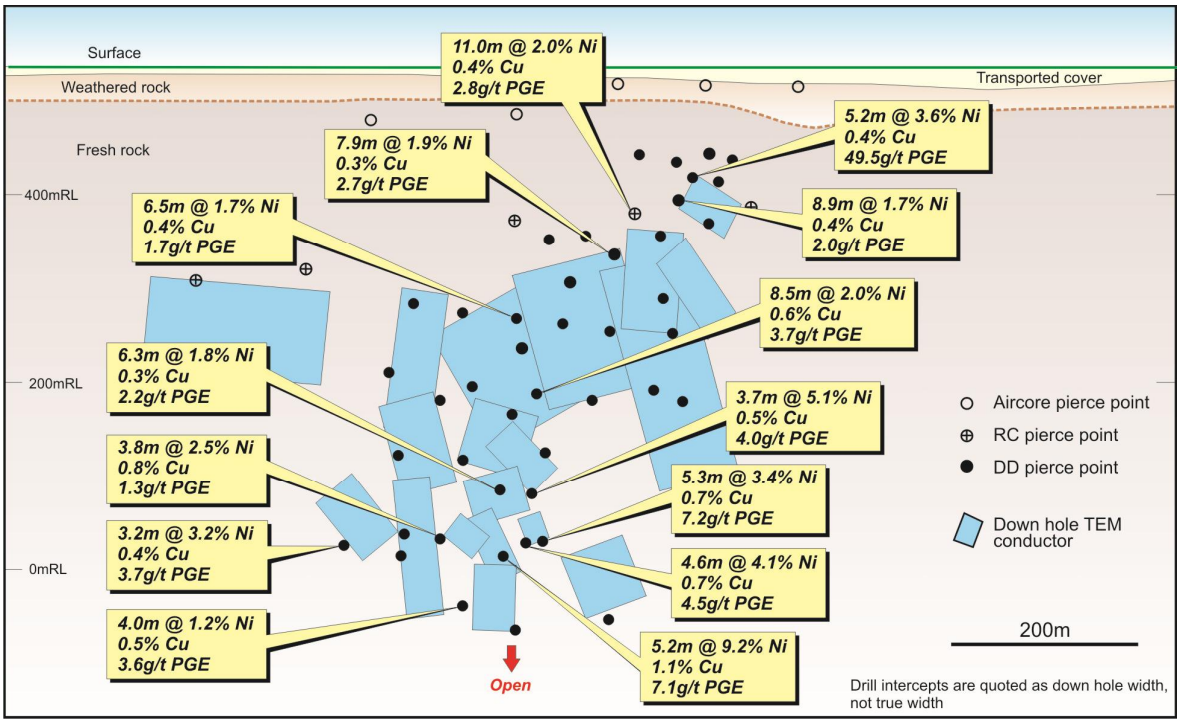


Figure 13: Duketon JV – Rosie Prospect Longitudinal Projection Showing Significant Drill Intercepts and Down-Hole TEM Conductors

A program of six RC holes and one RC hole with diamond tail was completed on 80m centres NW along strike from Rosie, to test for geochemical signatures possibly representing an extension of the Rosie mineralised system. Anomalous geochemistry and visible sulphide mineralisation was intercepted in the first 3 holes along strike, indicating that the Rosie nickel sulphide system continues further north for at least 240m beyond the resource drilling area. Intercepts included:

- 2m @ 1.4% Ni, 0.58% Cu, 0.27g/t Pt+Pd from 229m in TBRC101
- 2m @ 1.6% Ni, 0.20% Cu, 1.43g/t Pt+Pd from 156m in TBRC102

A program of aircore drilling comprising 102 holes (6,500m) was completed along the ultramafic contact, NW along strike from Rosie and also along the Bulge western contact. The program was designed to delineate the ultramafic contact with more accuracy in areas where its location was interpreted from aeromagnetic data to identify geochemical ñhotspotsò possibly representing new nickel sulphide systems.

A number of elevated responses were returned, including an intercept of **32m @ 0.9% Ni, 0.3% Cu and 0.44g/t Pt+Pd** in TBAC201 approximately 270m along strike from Rosie.

IGO was advised that its application for funding through the WA State Governmentôs Exploration Incentive Scheme to drill test targets associated with PGE anomalism on the Bulge eastern contact was successful. The grant provides $150,000 as 50% funding of direct drill costs for three diamond holes to test the targets.

BIRRINDUDU TIN PROJECT (IGO 100%)

The Birrindudu project is located 290km southeast of Kununurra in the Tanami Region of the Northern Territory. The project was initially identified during a review of results from the WMC Diamond division database, being used for target generation by IGO under agreement with WMC, (now BHP Billiton) which highlighted an area of strongly anomalous tin.

Analysis of samples in the IGO owned DBAE database over the area and subsequent reconnaissance and follow-up systematic stream sediment and soil sampling by IGO has confirmed the presence of tin and tungsten spatially associated with the Palaeoproterozoic Winnecke Granophyre. Tin mineralisation (cassiterite) in stream sediments appears to be sourced from a shallowly buried magnetic feature possibly representing alteration on the margins of a granitic pluton.

A RAB drilling program to test the magnetic feature and confirm the source of primary tin mineralisation is planned for early September 2011.

SEPTEMBER QUARTER EXPLORATION PROGRAM

NICKEL/BASE METALS	**JAGUAR:**	DDH drilling at Lagonda and Jaguar South. AC drilling along the Lagonda to Daimler trend in the southern leases.
	STOCKMAN:	DDH drilling at Currawong, Big Foot and Wilga South. Soil sampling at Peppermint. Surface and down-hole geophysical surveys.
	DUKETON:	Ongoing scoping study activities.
	BUNGALBIN:	TEM follow-up of soil geochemical anomalies.
	MT ISDELL:	RC drill testing geochemical and geophysical anomalies.
	BIRRINDUDU:	RAB drill testing for primary tin mineralisation associated with magnetic feature.
GOLD PROJECTS	**TROPICANA:**	Follow-up of targets north of Boston Shaker. Regional auger sampling and RC/aircore drill testing regional prospects.
	KARLAWINDA:	RC drill testing high grade gold potential of magnetic features at Bibra.
	DE BEERS:	Continued analysis of priority geochemical samples and field follow-up of anomalies.

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INDEPENDENCE GROUP NL
CHRISTOPHER M. BONWICK
MANAGING DIRECTOR

Competent Persons Statements:

Competent Person Sign Off: With the exception of the Bibra Prospect Mineral Resources and the Tropicana Mineral Resources and Ore Reserves, the information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Christopher M Bonwick who is a full-time employee of the Company and is a member of the Australasian Institute of Mining and Metallurgy. Christopher Bonwick has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Christopher Bonwick consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Bibra Prospect: The information in this report that relates to the Bibra Prospect Mineral Resources is based on information compiled by Michelle Wild, who is a Member of The Australasian Institute of Mining and Metallurgy. Michelle Wild is employed by Wildfire Resources Pty Ltd and has provided consulting services to Independence Group NL. Michelle Wild has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.) Michelle Wild consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

Tropicana: The information in this report that relates to Ore Reserves is based on information compiled by Marek Janas, a full time employee of AngloGold Ashanti Australia Ltd, who is a member of the AusIMM. Marek Janas has sufficient experience relative to the type and style of mineral deposit under consideration, and to the activity which has been undertaken, to qualify as a Competent Person (or Recognised Mining Professional) as defined in the 2004 Edition of the JORC Code. Marek Janas consents to the release of this reserve based on the information in the form and context in which it appears. The information in this report that relates to Mineral Resources is based on information compiled by Mark Kent, a full-time employee of AngloGold Ashanti Australia Ltd, who is a member of the AusIMM. Mark Kent has sufficient experience relative to the type and style of mineral deposit under consideration, and to the activity which has been undertaken, to qualify as a Competent Person (or Recognised Mining Professional) as defined in the 2004 Edition of the JORC Code. Mark Kent consents to the release of this resource based on the information in the form and context in which it appears. The information in this report that relates to Exploration Results is based on information compiled by Mark Doyle, a full-time employee of AngloGold Ashanti Australia Ltd, who is a member of the AusIMM. Mark Doyle has sufficient experience relative to the type and style of mineral deposit under consideration and to the activity that has been undertaken, to qualify as a Competent Person (or Recognised Mining Professional) as defined in the 2004 Edition of the JORC Code. Mark Doyle consents to the release of this resource based on the information in the form and context in which it appears.

Forward-Looking Statements: This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Independence Group NL's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may," "potential," "should," and similar expressions are forward-looking statements. Although Independence Group NL believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

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